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COMMERCIAL UNION

— BETWEEN —

THE UNITED STATES

— AND —

CANADA.

SPEECH BY HON. J. W. LONGLEY,
ATTORNEY-GENERAL,
— DELIVERED IN THE —
HOUSE OF ASSEMBLY OF NOVA SCOTIA,
MAY 2, 1887.

COMMERCIAL UNION.

The Hon. Mr. Longley had given previous notice of his intention of moving the following resolutions:

Whereas, The Hon. Benjamin Butterworth, member of congress from Ohio, has introduced into the house of representatives at Washington a bill, which, in effect, is designed to secure unrestricted commercial relations between the United States and Canada, which bill will be brought before the next meeting of the United States congress for consideration;

And whereas, Such unrestricted commercial relations between this country and the United States would be of the greatest possible advantage to the various industries of this province, and meet in a large measure the difficulties of our present position;

Be it therefore resolved, That this house, representing the people of Nova Scotia, declares its approval of the objects sought to be attained by the said bill of Mr. Butterworth, and expresses the hope that it may be adopted by the congress of the United States, as promoting the commercial advantages of the people of this province, and tending, if approved by the government and parliament of Great Britain, to cement friendly relations between the English speaking people of the British empire and the United States.

On Tuesday, May 2nd, he moved their adoption in a speech of which the following is the official short-hand report. The reason the matter was not pressed to a division is that no opportunity had been afforded for moving the resolutions until the last day but one of the sitting, and the press of other routine business prevented ample discussion:

I rise, Mr. Speaker, for the purpose of moving the resolutions of which I gave notice a few days ago on the subject of the bill introduced by Mr. Butterworth in the congress of the United States respecting trade with Canada. At this late period of the session and for reasons which it is not necessary for me now to explain, I do not propose to press this matter to a division in the house. Of course, having moved the resolutions, they have to be subject to the rule of the house, but so far as I am personally concerned it is not my intention this session to bring the house to a division in relation to them, but I feel that the importance of the subject is so great and so wide reach-

ing that it is necessary for me to make a few observations which will explain the object and purpose of the resolutions, and perhaps by means of the publicity given to the proceedings and debates of the house these remarks may have the effect of explaining the purport of the resolutions to the people throughout the province of Nova Scotia. Let me say, in beginning, that every person in this house is aware that the question of intimate and unrestricted trade relations with the people of the United States is a matter of the first moment to the people of Nova Scotia, and not only to the people of Nova Scotia but to the people of every province in the Dominion of Canada. There has been ever since the union, a perpetual question in regard to confederation, so far as the province of Nova Scotia is concerned. That same feeling of dissatisfaction prevails to a less extent in other provinces, but in Nova Scotia it is heightened and intensified, I suppose, by the fact that this province was brought into confederation without the consent of the people, which was not the case in regard to the other maritime provinces, but I do not imagine that the mere fact of a constitutional blunder having been committed in 1867, would forever create a feeling of dissatisfaction unless there were other difficulties in the way of the successful working of confederation, and, in my judgment, the difficulties with regard to confederation were difficulties entirely of a commercial character. I stand here to-day and say, as I said in 1855, that the provinces composing the Dominion of Canada have the wealth and the population and the resources to create a great nationality with a destiny to which every one can look forward with pride and pleasure. If merely and only wealth and population and resources were required to produce that result there would be no difficulty, but the difficulty is that there is no natural trade between Nova Scotia and Ontario, or between Ontario and Manitoba, or between British Columbia and any other section of the Dominion. The real difficulty is this want of reciprocal trade relations between different sections of the country. Ontario is a great and a prosperous province, and if that province and the maritime provinces were in proper juxtaposition they would be of use to each other, but as they are, the trade of Ontario is of no consequence to the maritime provinces, and the trade of the maritime provinces is of little consequence to Ontario. That, I hold, to be the fundamental objection to confederation, and that

is the question we have been grappling with for years, and with which we will have to grapple so long as the confederation exists.

Mr. T. R. BLACK—Do you say that the trade of Nova Scotia is of no consequence to Ontario?

Hon. Mr. LONGLEY (A. G.)—I do not say it is of no consequence, but that it is of little consequence to Ontario. The province of Ontario derives little advantage from having access to the markets of the maritime provinces. Some of the manufactures of Ontario find their way here, and the flour of Ontario is forced upon us against the interests of our people, not because Ontario cannot sell flour as cheaply as the United States, but because it is not to the interest of our people to buy from Ontario, because they have to pay for their flour in cash, whereas if they bought from the United States they would pay in the natural products of the country. I say that the province of Ontario is not deriving any great advantage from access to our markets because they have to pay coal duties in exchange for the flour duties, and it is as much to the interest of Ontario to purchase coal from the mines of Pennsylvania as it is to the interest of the maritime provinces to buy flour from the New England States and to sell their coal in the markets of the New England States.

Dr. MCKAY—I would like the hon. attorney-general to say if it is possible to put Nova Scotia coal into the United States even if it went in free?

Hon. Mr. LONGLEY (A. G.)—I have no hesitation in giving my opinion. I have no doubt if, instead of forcing an artificial trade, by which we compel Montreal to buy our coal as we are compelled to buy their flour, if all the customs houses were swept away, our mines would send ten tons to the New England markets where they now send one to Montreal. (Hear, hear.)

I have pointed out briefly the difficulties of the confederation system, and I believe the true solution of the difficulties of confederation is free and unrestricted trade throughout this continent. While the maritime provinces have clearly no natural trade with the upper provinces they have a natural and lucrative trade with the United States. If there were no customs houses between the New England States and the maritime provinces there would at once spring up a natural, lucrative and healthy trade, which would give life, hope and activity to every industry in the country. That is a fact so clear that it cannot be denied for an instant. No public man dare go on a public platform and deny the fact that the most intimate and possible commercial relations with the United States would be of the greatest possible advantage to us. Under this system of confederation for a period of twenty years we have had customs barriers between us and the United States. Every article sent from here to the United States, and every article brought back is met by a hostile barrier. The purpose of the national policy was to stop trade with the United States by forcing and compelling trade between the provinces composing the Dominion. And yet we find that to-day, out of all the ports of Nova Scotia, from the top of the

Bay of Fundy to Canso, and from the island of Cape Breton as well, vessel after vessel, and steamer after steamer is passing out of our ports and turning her prow in the direction of the ports of the United States, and that without the United States as a market to-day this province would be helpless and hopeless. And yet with no barriers between us and the upper provinces we have between us and the upper provinces no natural and healthy trade at all. Occasionally a carload of sugar is sent up, and when such an event happens there is a pow-wow about it in the press. If a load of coal is sent up it is hailed as a great and glorious event. This is impressive evidence that the trade is not natural, but that these things are marvels and prodigies, rather than an indication of any natural and healthy intercourse. I hold that no law should be imposed on mankind anywhere to compel trade in foreign and unnatural channels, when we could have it in natural channels well enough. There has been an almost universal sentiment in favor of reciprocal trade with the United States, and we have not got it.

Mr. T. R. BLACK—I would like the hon. gentleman to explain how the revenue is to be met, in carrying out his theory, when the customs houses are swept away.

Hon. Mr. LONGLEY—I will come to that. There has been a strong feeling in the province of Nova Scotia in favor of commercial relationship with the United States, and I am asked why we have not got it. I have no hesitation in saying that it is because the United States will not give it. We had a reciprocity treaty from 1854 down to 1866. Between 1871 and 1885 there was no reciprocity treaty, but we had a convention in regard to the fisheries. That was nothing like a reciprocity treaty, but even that was terminated by the people of the United States. I have no hesitation in saying that the people of the United States will never consent to a new reciprocity treaty with Canada, and that all the time spent in talking about reciprocity is wasted. What is a reciprocity treaty? It is a treaty under which the customs houses are kept up as before to their entire extent, but certain raw natural products or natural products are allowed to come in free of duty.

Mr. WEEKS—I apprehend that a reciprocity treaty is not limited in any degree. You can make it large and comprehensive or you can confine it as you please.

Hon. Mr. LONGLEY (A. G.)—No treaty has ever yet been negotiated on the basis of the absence of customs houses. The former treaty embraced natural products only, and that would be the theory of any treaty our people have now in view. Why will the United States not give us such a treaty as that? Simply because they are not fools, and because they respect their own interests. They have established large industries which require raw material, and a reciprocity in raw material would mean that we would be sending everything to them, while they would be sending nothing to us. No government in the United States will ever agree to a reciprocity in raw materials, or to any treaty which does not provide that in return for our sending raw materials into the

United States they shall send manufactured goods into this country. Whenever on the political platform we have advocated a policy of unrestricted commercial relationship, we were met with the statement: "This is very nice. We are in favor of unrestricted commercial intercourse, but the Americans will not give us reciprocity, and the result is that we are bound and compelled to stand on our dignity and decline to take any measures for this purpose." To meet this point is the purpose for which I am on my feet to-day. There has been introduced into the congress of the United States, by one of the most influential members of that body—Mr. Butterworth, of Ohio—a measure of a most comprehensive character. In two or three clauses he proposes to settle the whole difficulty by striking down the customs houses between Canada and the United States. The measure he proposes is a treaty of the most absolutely free and unrestricted commercial intercourse. He proposes that there shall not be a customs house between the United States and Canada. A line of customs houses between the United States and Canada is the most unnatural and unphilosophical thing that can be imagined. If the people of the United States were a nation of Patagonians or savages there might be some reason for our not having intercourse with them, but the people of the United States are a people speaking the same language that we do; they sprung from the same that we do; they have a common fatherhood with us in the English speaking race, and to-day nothing but an imaginary line separates the two peoples. Take a map of America and draw a line east and west, from San Francisco to Nova Scotia, and there might be some sense in maintaining custom houses on either side of the line; but if I travel in a straight line from here to Toronto, five-sixths of the journey would be on American territory.

There is no natural cohesion between the lower and the upper provinces of this Dominion. The province of Ontario has her proper commercial complement in the states of New York, Pennsylvania, Ohio, Illinois and Michigan. The natural commercial outlets of the province of Manitoba are St. Paul, Minneapolis, etc. The commercial complement of the province of British Columbia is San Francisco. Take these facts into consideration, and I see no reason for having customs houses between us and the United States. If it is a good thing to have customs houses between people of the same language and the same race, then it would be a good thing to draw a customs line across Ontario; across Nova Scotia; it would be a good thing to divide the whole Dominion up into customs lines. But the science of political economy indicates that customs lines are a burden and a curse to the countries that establish them, and that they injure and hamper and destroy trade, and the true and sound economical basis upon which trade should rest is free and unrestricted trade without any hindrance whatever, and the only legislative body which has had the courage to adopt this principle, is the parliament that sits at Westminister. If Mr. Butterworth's bill is adopted by the congress of the United States—

Dr. MCKAY—What progress has been made with it.

Hon. Mr. LONGLEY—I will concur to that too. If this bill should become law then I say it is not in the mouths of the opponents of free and unrestricted trade with the United States, to say "what is the use of talking about free trade with the United States. You cannot get it." If the Butterworth bill passes you can get it, and it will only remain for the parliament of Canada to pass a corresponding bill, and down goes the customs line at once, and trade will flow as freely between the United States and Canada, as it now flows between Massachusetts and Connecticut. Now, what, in brief, is that bill? and I must ask the patience of the house while I reiterate its purposes. It is simply that there shall be no customs houses between Canada and the United States, and that every province of Canada shall have as free trade with every state of the United States, as every province of Canada has with each other, and as every state of the union has with each other. It provides also that we shall have unrestricted coasting trade along the United States. I suppose a greater boon could not be conceded to our people than this. We have numbers of sailing vessels in Nova Scotia which every year are diminishing in value because this coasting trade has been lost. To concede this boon to a country which has no equal as a ship-building country in the world; to open the entire coasting trade of the United States to those who own vessels and schooners in the province of Nova Scotia, you could confer no greater boon upon them. Therefore I regard it as a matter of the utmost importance that a measure like that before the congress of the United States should be adopted at an early day. Some gentleman asks me how far that bill has progressed. It has made no progress at all. It was merely introduced as a notice that it will be again taken up when the United States congress next meets, but from letters received from eminent public men in the United States I have the strongest reason to believe that if the people here support that measure, and receive it in a broad and liberal spirit, and indicate their desire to reciprocate, that bill, at the next session of the congress of the United States, will be adopted. It is said that the leaders of the Republican party in the United States are opposed to reciprocity. Sir, they are opposed to reciprocity. Mr. Blaine, who is the leader of the Republican party in the United States, is the bitterest enemy of reciprocity. He has never given any tolerance to the idea of reciprocity, and on every public platform where he has spoken he has opposed it as injurious to the best interests of the people of the United States. And, to a great extent, I agree with him, because a reciprocity which confined itself to natural products merely would be of immense advantage to Canada while it would be of little or no advantage to the United States. But I happen to be in a position to know that Mr. Blaine is ready to support the Butterworth bill. Senator Sherman, of Ohio, is one of the prominent men in the United States to-day; he is one of the leaders of his party in the state of Ohio, and is one of the possible can-

didates for the presidency at the next election. I am informed Mr. Butterworth has his countenance and support, and, as I have intimated on this question, he has at his back Mr. Blaine. At all events this is not being made a party question in the congress of the United States, and I happen to be in a position to know that it has the support of influential Democrats in the cabinet of President Cleveland. Therefore it is a question which has the support of statesmen of both political parties into which that country is divided.

But some one has said suppose the bill is passed, and suppose the government and the parliament of Canada enact a corresponding measure which will cause this commercial union to take effect, what will be the effect on the resources of Canada? According to the best calculations I have been able to make, and I do not depend upon my own results, because actuarial calculations have been made in the United States, Canada would receive under a commercial union between one and two millions more revenue than she receives under the present Canadian tariff. It is true that \$8,000,000 of the revenue we collect is derived from imports from the United States, but a commercial union implies more than the absence of customs houses. It implies the establishment of a common tariff against the rest of the world; and therefore the commercial union proposed by Mr. Butterworth implies a common tariff against the rest of the world. That tariff, of course, would be adjusted by commissioners representing the two governments; but it is unnecessary for me to say that the American tariff in such a case would largely prevail, and that we in Canada would be practically, under the American tariff, against the rest of the world. There is a tendency, however, in the United States to reduce their tariff largely. The preponderating power of the Democratic party is in favor of such a reduction. Mr. Morrison has again and again introduced a measure for the purpose of effecting what is called a horizontal reduction, because it proposes a reduction on everything, all around. There are certain men who are content to make a drop in some quarters, provided the tariff affecting their own special industries is kept up, and that is the reason why Mr. Morrison has never been able to get his bill through. Nevertheless there is a desire on the part of the people of the United States to have a reduction in taxation. At the present time the congress of the United States scarcely knows what to do with the revenue. They have been paying off the national debt at the rate of ten millions of dollars a month, until now the national debt is not half what it was at the conclusion of the war, and is disappearing rapidly. This fact is making the rate of interest on the United States debt exceedingly low. The tariff produces a revenue much greater than is necessary to meet the wants of the country, and the consequence is that bills are brought in to provide pensions for soldiers and for other purposes. Six millions were voted in a year for river and harbor improvements, when everyone knew that it was a job. Therefore, I am justified in stating that the revenue of the United States is so

large under the present customs and excise tariff that they have not only an enormous surplus, but that they scarcely know what to do with their money, and when the national debt is paid off they will have an enormous surplus every year, which they will scarcely know what to do with. The present United States tariff was established to provide a protective system and to pay off the war debt, but there is every reason to believe that under a new system there will be a large and substantial reduction in customs and excise duties, and therefore I have not the slightest fear or hesitation in allowing the amount of customs imports which would be imposed on all things imported from the rest of the world to depend on the American congress, because I know that there will be a large reduction in the American tariff. But, let no person be deceived, this will mean that we will have to adopt the American tariff against Great Britain, a tariff larger than our own tariff, but, in connection with another branch of the subject I will show that there are circumstances which will induce the British government to support this change on the ground that it will have a tendency to reduce the tariff of the United States against Great Britain, and to increase the trade of Great Britain with this continent. I have said that a customs union implies a common tariff against the rest of the world. In order to ascertain how much revenue the Canadian government would receive the only feasible proposition is to divide the gross receipts according to population, and if the division were made on the basis of collections made in the two countries the year before last, Canada would receive as her *pro rata* amount \$2,000,000 more than we receive under our own tariff to-day. The tariff, as I have said, would have to be fixed by commissioners appointed by both governments, and would be common against the rest of the world. We would then derive the benefit of the reductions, which it would be the American policy as well as our own to make from time to time.

But, sir, there is one feature I must refer to, standing as I do in the legislature of Nova Scotia, a province of the British empire and of the Dominion of Canada. I cannot ignore the fact that commercial union involves to a close degree the relationship between Canada and Great Britain herself. Such a treaty as that proposed would amount to this, that a large colony of Great Britain, numbering five millions of people, the largest dependency in connection with Great Britain that she has ever had, is to have the privilege of entering into commercial relationship with another nation, and establishing a common tariff against the rest of the world, including Great Britain herself. At the first blush that seems to be a serious matter, but I have no hesitation in saying that if the time ever arises, in connection with any duty which I have to discharge as a public man, in which the interests of the British islands and those of the Dominion of Canada conflict, then my voice and my influence will be for the Dominion of Canada every time. I have to treat things as I find them, and so long as we remain a part of the Dominion of Canada I am not going to be indifferent to the interests of Canada or to those of any province of the Dominion.

If I can get this province out of the union with Canada that is another matter; but so long as we continue to be a portion of the Dominion, if the interests of British North America conflict with the interests of the British islands, I shall always consider it my duty to stand by the interests of British North America. But I have no reason to find fault with the mode in which these provinces have been treated by the imperial government: I have found no disposition on their part to ignore our just wishes or to impose on us in any way, and I have no reason to suppose that whatever we may require as a nation, the British government or the British people will hesitate to concede. I believe that if the majority of the people of the Dominion of Canada declare that they desire to enter into this arrangement which Mr. Butterworth's bill proposes, you will not have the first word of opposition from the authorities of Great Britain. The British people recognize that while it is desirable that there should be a close bond of union between Canada and Great Britain, yet, that whenever the commercial interests of Canada and of Great Britain commence to diverge it would be madness on their part to attempt to coerce the interests of Canada.

Who does not honor the name of John Bright?

Throughout the length and breath of the British empire, nay, wherever the English language is spoken, and wherever the British name is known, over all that vast expanse no man is more honored as a patriot, there is no greater advocate of the cause of freedom and justice in every land. But in his place in the British house of commons John Bright has risen up and declared that he saw that the true policy for Great Britain was that there should be a united North America, without a custom house from one end to the other. And what John Bright has the right to say in the British house of commons, I reserve to myself the right to say in this parliament. The British people recognize the fact that they can only carry on commerce with this or any colony in the lines of common interest, and it is only in the lines of common interest that they could attempt to carry it on. And I have it from men conversant with British sentiment to-day—men loyal to the empire, men who would not for their right hands take a single step to impair the honor or weaken the resources of that empire—that, if the people of this country desire commercial union, if it has any tendency to develop their trade, if it promises to impart life, hope and activity to the commercial interests of this country, that it will not have the opposition of the British government. In this connection let me say that Great Britain herself has something to gain by this commercial union. The leaven of free commercial intercourse between the United States and Canada would tend to promote greater liberality in the trade relations of both countries with Great Britain, would tend to the reduction of the almost prohibitive duties of the United States against British manufactures, and would tend to cement, in a large degree, in my judgment, the feeling of amity, of cordiality, now

every year increasing between Great Britain and the United States. Why, sir, in the memory of men in this house, there was nothing but jealousy between the two countries. In 1855, when England was engaged in a war with Russia, we found the people of the United States sympathizing with whom? With the English people, of the same race, speaking the same language? No, sir, nothing of the sort. We found them sympathizing with the Russian nation. But only three or four years ago England seemed just on the brink of another war with Russia; public feeling was in the highest state of tension, and we did not know what moment the premier of Great Britain would have to announce a declaration of war. And then, sir, we found the greatest journals of the United States, the great newspapers of Boston, New York, Cincinnati and Philadelphia, declaring that in the great contest likely to be precipitated between Great Britain and Russia the sympathies of the United States would be on the side of the nation that carried in her hands civilization, progress and political freedom. That indicated an enormous change. But what more did we see? In 1884 the Americans gathered to celebrate the surrender at Yorktown, the last blow which struck down British power in the United States.

A hundred years had rolled by, and the people of the United States, with their president at their head, were going to celebrate the one hundredth anniversary of that great event. What did they do? The president gave orders that the British flag was to be saluted by every soldier, by every gun, and the fact was applauded by the entire nation. When President Garfield died did not Queen Victoria express the sympathy of the whole British nation? When General Grant died, did not the church of England give him a niche in Westminster Abbey, a burial place in the capital of the British empire? These, sir, are indications of the great and growing sympathy between the two nations; and we, sir, and the people who inhabit the British islands, the cradle of the British race, now encircling the world, have all a common language, a common origin and a common interest with the people to the south of us; and I say that a community of commercial relations between us may, and I believe would, tend to spread amity throughout the entire world. I believe the proposal of Mr. Butterworth, if adopted on that, and on this side of the line, will inaugurate a system of intercourse, of communion, between the two great branches of the English speaking race fraught with advantage to the world.

Now, I do not know that it is necessary to say more. I have said already more than I intended when I rose to my feet. I say I have it on high American authority that, if the British American legislatures adopted resolutions of this character, the effect would be to strengthen the hands of those supporting this bill; and believing, knowing, that the people of Nova Scotia have a deep interest in strengthening this movement, that this legislature would be happy to give its support, and that it desires to proclaim this fact, I

have not the remotest doubt that, if I choose to press this resolution at this session, it would be supported by a very large majority of the members of this house. I have not the slightest reason to doubt or fear what the wishes of the people of Nova Scotia or on this important matter. I say that anything, consistent with honor and with national integrity, which will tend to secure the great boon of commercial intercourse between Nova Scotia, between Canada and the United States, will be hailed with unmixed satisfaction by the people of this province. I say that is the one thing for want of which we are perishing, the one thing which we desire above all others; and I say that unrestricted commercial intercourse with the United States is the one possible thing by which the trying difficulties that beset this Canadian confederation can be met and overcome. I hope that this question will never assume a partisan aspect. I have been informed on the public platform by my opponents that, if any scheme could be devised whereby unrestricted trade with the United States could be brought about, they would support it. Nevertheless I have grave doubts whether there is a universal desire on the part of the people of Canada to support this measure. I believe the manufacturing interests of Canada will oppose it bitterly. I believe that that party which draws its skirts about it and proclaims itself to be the "national" party, and which, notwithstanding, professes to desire commercial intercourse with the United States, will oppose this measure. I believe that, if Mr. Butterworth's measure is adopted in the United States, as I have reason to hope it will be, then the struggle will begin in Canada; and it is the duty of every Nova Scotian, who has the interests of the province at heart; of every person in Canada, who has the interests of Canada at heart, to grip this system of monopoly, of class power, which has been developed by the manufacturing interests, by

the throat, and to let the great masses of the people, the farming, the mercantile, the fishing, the shipping interests of this country, see that their interests are not thwarted by the grasping hand of manufacturing monopolists, or by any party, by whatever name it may be called. It is time this contest began; it is time the people of this country began to know and to understand what interests are at stake. That has been the chief object and purpose which has induced me this session to bring forward these resolutions. I do not intend myself to press these resolutions to a division. I have made these remarks by way of explanation. It may be that, before this legislature meets again, the purpose of these resolutions will have ceased by their successful accomplishment. It may be that this bill of Mr. Butterworth's will be on the statute books of the United States before this legislature meets again. In the meanwhile it is open to us here to express our opinions, not trenching on the jurisdiction of the federal parliament, because I recognize the jurisdiction of the federal parliament to deal with this matter, and there is not a line in these resolutions indicating a purpose to deal with it; but this is a legislature of thirty-eight members, coming from the various constituencies of the province, and will not they know the prevalent, the regnant sentiment in the several districts from which they come? And this is just an expression of the opinion of this legislature that such a measure as that put before the congress of the United States by Mr. Butterworth is in the interest of both these great countries, and that its passage will be hailed with satisfaction in this province. It is for that purpose I brought it forward. If the measure be not accomplished before this legislature meets again, and if I happen to be in public life, it is likely that at another session I shall bring it forward at an earlier stage, in order to test the opinion of this assembly upon it. (Applause.)